

Questions & Answers

For 2009-10 Conditional Scholarship Participants Only

What happens after you credit my teaching days?

- If this posting of teaching days completes your service obligation, your account is now “Paid in Full.” We’ll close your account and send you a Paid in Full letter.
- If you still owe teaching service after posting these days, we will repeat the annual process – you send a copy of your new teaching contract and we verify teaching service at the end of the next school year. We repeat this process until you complete your entire service obligation.

What happens if I don’t complete my entire teaching obligation in the time permitted?

- You must repay the balance of your account, plus fees and interest. Your account will move into repayment status. [See “How does repayment work?” below.]

How does repayment work?

- We notify you when your account is being sent to our billing service, Educational Computer Systems Inc (ECSI). Remember, conditional scholarships are “forgivable loans.”
- ECSI sets you up on a monthly payment plan.
- A loan fee of 3% of the balance sent to ECSI is added to your account balance.
- Interest starts accruing on your account balance. The interest rate is variable, and can be adjusted each year on July 1 (if the federal student loan rate changes). The interest rate for July 1, 2009 – June 30, 2010 is 6.8%.
- The repayment period cannot exceed ten years.

IMPORTANT NOTE: If you obtain and verify a qualified teaching position while your account is in repayment status, you can resume earning and posting days of credit to your account. No refunds are made for repayments posted against your account, even if you later return to teaching and verify enough days to cover those payments.

When is my obligation finished?

- When you provide enough qualified teaching service to satisfy your teaching obligation; or
- When you repay all the principal, loan fee, and interest through monetary repayment; or
- In the event of your total and permanent disability or death.

Can I be dropped from the program?

- The Higher Educational Coordinating Board can drop you from the program if:
 - You do not complete the stated certificate or endorsement program per your application and Board-approved education plan, or
 - You do not obtain a qualified teaching position before the end of your grace period or the end of your deferrals, or
 - You fail to maintain continuous teaching service sufficient to complete your teaching obligation in the permitted period of time.

What happens if I am dropped from the program?

- If you have received any payments, your account will move into repayment status. [See “How does repayment work?” above.]

Do I have to pay taxes on the money I receive from the Future Teachers program?

- It is our agency’s interpretation that **conditional scholarships are NOT taxable income.**
 - Please refer to IRS Publication 970 Tax Benefits for Education (section 6 – Student loan cancellations) and/or consult a tax expert.

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